



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park Center Drive
Alexandria, VA 22302

Reply to SF-114
Attn. of:

29 SEP 1993

Subject: FMNP Policy Memorandum: 93-1
Carryforward/Backspending Authority for Fiscal Year (FY) 1994

To: Regional Directors
Supplemental Food Programs Division
All Regions

Several questions have been raised about the implementation of the legislative provision allowing State agencies administering the WIC Farmers' Market Nutrition Program (FMNP) to carry forward or backspend up to 5 percent of their total grant from the previous fiscal year. Consistent with the legislative interpretation provided by the Office of General Counsel (OGC), Fiscal Year 1994 is the first year that FMNP State agencies will be able to make use of this option.

This memo is intended to facilitate the transition from Fiscal Year 1993 to Fiscal Year 1994 with a minimum of confusion. Closeout guidance, issued annually by the Budget Division, will provide detailed instructions to State agencies regarding the final Fiscal Year 93 accounting and reporting procedures to be followed.

State agencies that have expended all of their Fiscal Year 1993 funds (including any expansion funds received) and still have unmet food and/or administrative obligations for this fiscal year may backspend up to 5 percent of their Fiscal Year 1994 grant to cover these Fiscal Year 1993 obligations. Conversely, State agencies that were unable to expend all of the funds they received in their Fiscal Year 1993 grant may carry forward up to 5 percent of those funds into Fiscal Year 1994 without being penalized by a commensurate reduction in their Fiscal Year 1994 FMNP grant. Any funds that are carried forward into the next fiscal year will be split based on that year's (in this case, Fiscal Year 1994) food-to-administrative funds ratio.

However, funds that are carried forward do not become a part of the State agency's base grant for the fiscal year. Carryforward funds simply represent additional funds that are available to meet FMNP expenses. While we realize that States may have a justified need to cover some of their Fiscal Year 1993 expenses with Fiscal Year 1994 funds, they should keep in mind that this option effectively reduces their available Fiscal Year 1994 funds by the amount of funds that are backspent.

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